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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/874,870	06/05/2001	Scot A. Reader		6000

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EXAMINER

MOONEYHAM, JANICE A

ART UNIT	PAPER NUMBER
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3629

DATE MAILED: 09/15/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	Application No. 09/874,870	Applicant(s) READER, SCOT A.	
	Examiner Janice A. Mooneyham	Art Unit 3629	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 05 June 2001.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-37 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-37 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |   |   |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)  | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

### **DETAILED ACTION**

1. This is in response to the applicant's communication filed on June 5, 2001, wherein claims 1-37 are pending.

#### ***Information Disclosure Statement***

2. The information disclosure statements (IDS) submitted on August 30, 2001 and May 30, 2002 are being considered by the examiner.

#### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claims 1-26 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Applicant has the following language in the claims - "in function of". Does the applicant mean, "as a function of"?

4. Claims 23-29 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claim 23 appears to have only a preamble stating only the intended use of the software. Applicant has not defined the instructions or defined what the instructions are doing. Simply saying that the software program has instructions for interacting with an end-user station does not indicated what is meant by the term "interacting." Furthermore, applicant states that the software interacts to

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determine a value of patent assets in function of a plurality of projected license fee data.

Does the applicant mean "as a function of the plurality of projected license fee data?"

5. Claim 35 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

What does the applicant mean by "the projections are made over a period of interest"? What is a "period of interest"?

### ***Claim Rejections - 35 USC §101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

6. Claims 1, 3-10, 12-18, 23-30, and 32-37 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory

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subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, claims 1, 3-10, 12-18, 30 and 32-37 only recite an abstract idea. The recited steps of merely identifying patent assets, identifying a plurality of licensing targets for the patent assets, determining a plurality of license fee data for the plurality of licensing targets and determining a value of the patent asset as a function of the plurality of license fee data do not apply, involve, use, or advance the technological arts since all of the recited steps can be performed in the mind of the user or by use of a pencil and paper. These steps only constitute an idea of how to value a patent asset. There is no technology in the body of the claims.

7. Claims 23-29 are directed to a software program and is nonstatutory functional descriptive data.

MPEP Section 2106 states as follows:

Data structures not claimed as embodied in computer-readable media are descriptive material per se and are not statutory because they are not capable of causing functional change in the computer. See, e.g., *Warmerdam*, 33 F.3d at 1361, 31 USPQ2d at 1760 (claim to a data structure per se held nonstatutory). Such claimed data structures do not define any structural and functional interrelationships between the data structure and other claimed aspects of the invention which permit the data structure's functionality to be realized. In contrast, a claimed computer-readable medium encoded with a data structure defines structural and functional interrelationships between the data structure and the computer software and hardware components which permit the data structure's functionality to be realized, and is thus statutory.

Similarly, computer programs claimed as computer listings per se, i.e., the descriptions or expressions of the programs, are not physical "things." They are neither computer components nor statutory processes, as they are not "acts" being performed. Such claimed computer programs do not define any structural

and functional interrelationships between the computer program and other claimed elements of a computer which permit the computer program's functionality to be realized. In contrast, a claimed computer-readable medium encoded with a computer program is a computer element which defines structural and functional interrelationships between the computer program and the rest of the computer which permit the computer program's functionality to be realized, and is thus statutory. Accordingly, it is important to distinguish claims that define descriptive material per se from claims that define statutory inventions.

Since a computer program is merely a set of instructions capable of being executed by a computer, the computer program itself is not a process and Office personnel should treat a claim for a computer program, without the computer-readable medium needed to realize the computer program's functionality, as nonstatutory functional descriptive material. When a computer program is claimed in a process where the computer is executing the computer program's instructions, Office personnel should treat the claim as a process claim. See paragraph IV.B.2(b), below. When a computer program is recited in conjunction with a physical structure, such as a computer memory, Office personnel should treat the claim as a product claim. See paragraph IV.B.2(a), below.

### ***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 19-22 are rejected under 35 U.S.C. 102(e) as being anticipated by

Kossovsky et al (US 2002/0002523) (hereinafter referred to Kossovsky).

Referring to claims 19-22:

Kossovsky discloses networking computing system, comprising:

An end-user station having a user interface (120n) and a network interface (130), wherein the end-user station interacts with the user and the network to determine patent license fee data (see Figure 1 and [0036] and [0039]).

Kossovsky discloses the network interacting with one or more databases (Figure 2B) (270) and [0039]).

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claim 1-3, 5-12, 14-23, 25-32, and 35-37 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hagelin (US 2002/0077835) (hereinafter referred to as Hagelin) in view of Kossovsky et al (US 2002/0002523) (hereinafter referred to as Kossovsky).

Referring to claims 1 and 23:

Hagelin discloses a method and software program for valuing patent assets, comprising:

identifying patent assets ([0037] *value of an intellectual property asset; Figure 1 (5) Intellectual property asset to be valued*);

determining a value of the patent assets as a function of the plurality of license fee data (*Figures 7-12 Intellectual Property License; Value of new Intellectual Property Asset (535)*).

Hagelin does not explicitly disclose identifying a plurality of licensing targets for the patent assets or determining a plurality of license fee data for the plurality of licensing targets, respectively.

However, Kossovsky discloses identifying a plurality of licensing targets for the patent assets or determining a plurality of license fee data for the plurality of licensing targets, respectively (*abstract - providing a valuation of an IP asset using data from companies in a similar technology classification as the IP asset, generating a suggested IP asset asking price, an index of IP market value according to technology classification; also see [0075, 0076, 0079, 0083], [0010 providing a valuation of an IP asset uses information about the IP asset and data from publicly traded companies in a same technology classification as the IP asset; generating a suggested asking price for an IP asset using the valuation and specified licensing terms]*).

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the method of valuing intellectual property disclosed in Hagelin with the comparison of data form companies in similar technologies as taught in Kossovsky so as to provide inventors and other potential patent licensors with interested and qualified potential patent licensees and thus increase the electronic commerce of intellectual property rights.



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Referring to claim 10:

Hagelin discloses a method for valuing patent assets, comprising:

identifying patent assets of the patent holder (*[0037] value of an intellectual property asset; Figure 1 (5) Intellectual property asset to be valued*);

determining a value of the patent assets as a function of the plurality of license fee data (*Figures 7-12 Intellectual Property License; Value of new Intellectual Property Asset (535)*).

Hagelin does not explicitly disclose identifying a plurality of licensing targets for the patent assets or determining a plurality of license fee data for the plurality of licensing targets, respectively.

However, Kossovsky discloses identifying a plurality of licensing targets for the patent assets or determining a plurality of license fee data for the plurality of licensing targets, respectively (*abstract - providing a valuation of an IP asset using data from companies in a similar technology classification as the IP asset, generating a suggested IP asset asking price, an index of IP market value according to technology classification; also see [0075, 0076, 0079, 0083], [0010 providing a valuation of an IP asset uses information about the IP asset and data from publicly traded companies in a same technology classification as the IP asset; generating a suggested asking price for an IP asset using the valuation and specified licensing terms*).

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the method of valuing intellectual property disclosed in Hagelin with the comparison of data form companies in similar technologies as taught in

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Kossovsky so as to provide inventors and other potential patent licensors with interested and qualified potential patent licensees and increase the electronic commerce of intellectual property rights.

Referring to claim 30:

A method for valuing patent assets, comprising:

determining a value of the patent assets as a function of the plurality of license fee data (*Figures 7-12 Intellectual Property License; Value of new Intellectual Property Asset (535)*).

Hagelin does not explicitly disclose identifying a plurality of licensing targets for the patent assets or determining a plurality of license fee data for the plurality of licensing targets.

However, Kossovsky discloses identifying a plurality of licensing targets for the patent assets or determining a plurality of license fee data for the plurality of licensing targets, respectively (*abstract - providing a valuation of an IP asset using data from companies in a similar technology classification as the IP asset, generating a suggested IP asset asking price, an index of IP market value according to technology classification; also see [0075, 0076, 0079, 0083], [0010 providing a valuation of an IP asset uses information about the IP asset and data from publicly traded companies in a same technology classification as the IP asset; generating a suggested asking price for an IP asset using the valuation and specified licensing terms]*).

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the method of valuing intellectual property disclosed in Hagelin

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with the comparison of data from companies in similar technologies as taught in Kossovsky so as to provide inventors and other potential patent licensors with interested and qualified potential patent licensees and thus increase the electronic commerce of intellectual property rights.

Referring to claims 2, 11 and 31:

Kossovsky discloses the method being performed in a networked computing environment (Figures 1-2B).

Referring to claims 3, 12, 29 and 32:

Kossovsky discloses wherein the plurality of licensing targets are identified, respectively, as a function of technological overlap between the identified patent assets and patent assets of the plurality of licensing target, respectively ([0083] *the variance O2 provides a measure of the variability of similar technologies*).

Referring to claims 5, 14 and 25:

Hagelin discloses wherein the value of patent assets is further determined as a function of license program cost data (*Figure 7 and [0071]*).

Referring to claims 6, 15, and 26:

Hagelin discloses wherein the value of the patent assets is determined as a function of license fee collection risk data ([0072] *depending on presence of guaranteed payments; [0077] next step in valuing the intellectual property license is to calculate an equal return payment; ERP assumes licensor and licensee share equal risk; [0084]*).

Referring to claims 7, 16 and 27:

Haglein discloses wherein the value of the patent assets is further determined as a function of cash flow discounting data (*Figure 11 (515, 530, 525, 535)*).

Referring to claims 8, 17, and 28:

Hagelin discloses wherein the value is a net present value ([0078] *NV net value*).

Referring to claims 9 and 18:

Kossosvsky discloses wherein the license fee data is determine as a function of the patent assets ([0044] [0076], licensing target revenue data [0079] and royalty rate [0091]).

Referring to claim 35:

Hagelins discloses wherein the projections are made over a period of interest ([0057] Duration of rights; Figure 4 (280)).

Referring to claim 36:

Haglein discloses wherein the period of interest is determined as a function of patent infringement ([0057] Infringement Enforcement).

Referring to claim 37:

Haglein discloses wherein the period of interest is determined as a function of a maximum patent term ([0057] *remaining period of intellectual property asset protection, Figure 1*).

Claims 4, 13, 24 and 33-34 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hagelin and Kossovsky as applied to claims 1, 10, 23 and 30 above, and further in view of Elliot (US 2003/0046105) (hereinafter referred to as Elliot).

Referring to claims 4, 13, and 24:

Neither Hagelin nor Kossovsky disclose wherein the value of the patent assets is further determined as a function of tax data.

However, Elliot discloses wherein the value of the patent assets is further determined as a function of tax data ([0112], [0123] ordinary income tax rate % taxable business income/year).

It would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the valuing method of Hagelin and Kossovsky tax data as taught in Elliot so that favorable tax treatment associated with the transaction can be achieved.

Referring to claims 33-34:

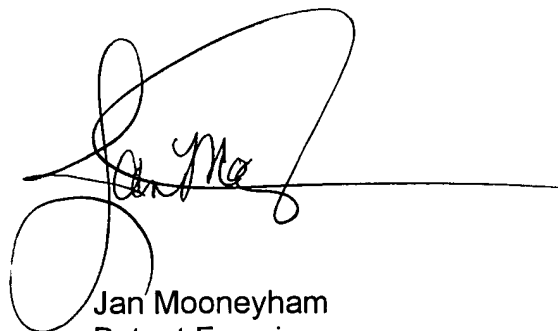
Elliot discloses wherein at least one of the plurality of licensing targets is a single unaffiliated company or a group of affiliated companies (*[0023] the patent estate may contain patents owned by third parties so long as the business has exclusive rights in such third parties patents and the right to convey such exclusive rights to others*).

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Any inquiry concerning this communication or earlier communications from the examiner should be directed to Janice A. Mooneyham whose telephone number is (571) 272-6805. The examiner can normally be reached on Monday through Thursday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on (571) 272-6812. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



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